

MASSACHUSETTS-AMERICAN WATER COMPANY

D. T. E. 00-105

FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
THE TOWNS OF COHASSET, HINGHAM, HULL, AND OXFORD

Pursuant to 220 C.M.R. § 1.06(6)(c) the Department of Telecommunications and Energy ("Department") submits to the Towns of Cohasset, Hingham, Hull, and Oxford ("Towns") the following Information Requests.

Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Towns in this proceeding.

Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.

Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.

These requests shall be deemed continuing so as to require further supplemental responses if the Towns or their witness receive or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.

The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.

The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or

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other markings that differentiate such copies from the original.

If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response. Please serve a copy of the responses on Mary Cottrell, Secretary of the Department, one copy to the Service List, six copies to Paul Osborne, of the Department's Rates and Revenue Division, and submit two copies of the responses to Robert J. Howley, Hearing Officer.

Questions

DTE 1-T-1 Refer to the prefiled testimony of Mr. Russell at 6. Please provide a comprehensive description of the procedures a water company would use in implementing a least-cost integrated resource planning process.

DTE 1-T-2 Refer to the prefiled testimony of Mr. Russell at 7-8. Please provide a copy of each study or article published since January 1, 1990 in the possession of the witness concerning the application of least-cost integrated resource planning in the water industry. If the response to this question is voluminous (greater than 200 pages), please provide a list of the studies and articles in the witness' possession, and have the studies and articles available for inspection at the witness' office.

DTE 1-T-3 Refer to the prefiled testimony of Mr. Russell at 11. Out of the \$8.0 million in capital improvements cited by the witness, please itemize those projects that the witness considers could have been cancelled or deferred if the Company had embarked on a least-cost integrated resource planning process.

DTE 1-T-4 Refer to the prefiled testimony of Mr. Russell at 23. If the witness is in possession of the allowed returns on common equity ("ROE") for those companies listed on this page, please provide the allowed return, the docket number of the regulatory proceeding in which the ROE was set, and the date of the respective commission order(s).

DTE 1-T-5 Refer to the prefiled testimony of Mr. Russell testimony at 23. Please provide any documentation, including the sources of such information, to support the witness' assertion that "typical estimates of expected growth rates for financially sound utilities are in the range of 3% to 6%."

DTE 1-T-6 Refer to the prefiled testimony of Mr. Russell at 28-29. Please discuss the factors that would affect salvage values for water companies in New England in comparison to salvage values derived from water companies outside of New England.

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DTE 1-T-7 Refer to the prefiled testimony of Mr. Russell at 30. Please provide the basis of the data relied upon by the witness in his derivation of salvage values.

DTE 1-T-8 Refer to the prefiled testimony of Mr. Russell at 30. Please provide the basis for the proposed use of a 40-year service life for Account 346 (Meters) and Account 347 (Meter Installation).

DTE 1-T-9 Refer to the prefiled testimony of Mr. Russell at 39. Please discuss the extent to which a shift in the treatment plant surcharge rate design from 67 percent fixed and 33 percent variable to the witness's proposed 25 percent fixed and 75 percent variable would affect the ability of the Company to make the monthly lease payments associated with the water treatment plant.

DTE 1-T-10 Refer to the prefiled testimony of Mr. Russell at 42. Please provide a copy of each study or article published since January 1, 1990 in the possession of the witness concerning the short-term and long-term elasticity of demand for water. If the response to this question is voluminous (greater than 200 pages), please provide a list of the studies and articles in the witness' possession, and have the studies and articles available for inspection at the witness' office.

DTE 1-T-11 Refer to the prefiled testimony of Mr. Russell at 42-43. Please provide the basis for the block breaks and rate differentials selected by the witness for his hypothetical increasing block rate schedules for residential and nonresidential customers.

DTE 1-T-12 Refer to the prefiled testimony of Mr. Russell at 41-42. Has the witness formed an opinion as to the appropriate rate design for his proposed contract rate for large industrial customers? If so, please describe the structure of such a contract rate.